



COUNCILMEMBER BRIAN MAIENSCHIN

City of San Diego
Fifth District

MEMORANDUM

TO: Mayor Dick Murphy

FROM: Brian Maienschein

DATE: January 19, 2005

RE: Office of Independent Budget Analyst

On November 2, 2004, San Diego voters approved the strong Mayor initiative. A key provision of that initiative is the creation of an Office of Independent Budget Analyst (IBA) (Section 270(f)). The director of this new office will be appointed by, and serve at the pleasure of, the City Council. The Council shall determine the scope of power for this new office and its director by ordinance.

I am writing to offer suggestions for making sure that the IBA provides the greatest possible benefit to San Diegans.

1. **Timeliness** -- It is essential that work on the IBA be completed, or at least be far enough along, in time to include it in the FY06 budget deliberations. To meet this schedule, I request that this matter, and the following ideas, be referred to the new Committee on Government Efficiency and Openness for immediate consideration.

2. **Staffing for a Year-Round Resource** -- The IBA should provide the Council with objective, timely, non-partisan analysis regarding financial and budget decisions. While new to San Diego, this type of organization is not new to government. In fact, a great model is the Federal Congressional Budget Office.

Frustrated with President Nixon's use of impoundments to counter Congressional funding programs, Congress passed the Congressional Budget Act of 1974. Among other things, this Act created the Congressional Budget Office or CBO. A detailed history of the CBO and its mission can be found at www.cbo.gov <<http://www.cbo.gov>>.

The primary purpose of the CBO is to assist various Congressional budget committees in matters under their jurisdiction.

Like the CBO, the IBA needs to serve as a resource to the Council, not just during the budget process, but throughout the year. To do that effectively, the office should consist of three to four individuals; a director, one or two budget analysts and one administrative staff person. Skill sets for these individuals should include backgrounds in finance, government, municipal bonds and budget analysis.

Other jurisdictions that have an IBA are New York, www.ibo.nyc.ny.us, the County of San Francisco, www.sfgov.org and Anchorage, www.muni.org/Assembly2/office.cfm.

3. Chain of Command -- The San Diego IBA will serve at the pleasure of Council, however, reporting to eight different bosses poses some significant practical issues. The creating ordinance needs to deal with how the interaction between the Mayor/Council/IBA/Manager will progress. Lines of authority could be drawn in a number of ways. Three of the most obvious are:

- IBA reports to the President of the Council
- IBA reports to entire Council
- IBA reports to the Council through a Council subcommittee

4. Annual Budget Process -- The IBA needs to have access to the submitted budgets from the various departments. Also, the IBA should have access to the draft budget at least a week before it is submitted to Council. The day it is submitted to the Council, the IBA needs to hold a budget workshop for the Council outlining the issues.

5. On Going Assistance – Monthly: The IBA should track variances in revenue and expenditures, transfers and budget status, then report these to the Council. Quarterly: The IBA should conduct "workshops" (public meetings) that summarize the above issues and give a comprehensive status report. As Needed: IBA should address any pertinent questions or issues raised by members of the Council.

6. Open Process—The Committee should develop a process that guarantees ample opportunity for the entire community to provide input regarding how this office will function.

I look forward to working with you and the Council to refine and set in motion this important new tool for helping make the City of San Diego more fiscally responsible.

Cc: Councilmember Donna Frye,
Chair, Committee on Government Efficiency and Openness